

**MINUTES**  
**May 1, 2003**

**Seattle City Employees' Retirement System**  
**Regular Board Meeting**

**Thursday, May 1, 2003 - 8:30 a.m.**  
**Seattle Metropolitan Credit Union Bldg**  
**Credit Union Conference Room – 3<sup>rd</sup> Floor**

**Present:** Dwight Dively, Norma McKinney, Lou Walter, John Curtin and Mary Norris.

**Absent:** Jan Drago and Frank Mathews.

**Also Present:** Ken Leask – ARSCE, Jim Fletcher – ARSCE/RCLEA, Walt North – ARSCE, Gwen Jensen, Jack Herold, Maureen Madion – Law, Elizabeth O'Hara and Kim Williams – Wellington Management, Mel Robertson and Norm Ruggles.

Upon motion by Lou Walter, seconded by Norma McKinney, the Retirement Board appointed Dwight Dively to serve as Chair in the absence of Jan Drago.

**Public Comment:**

Ken Leask reminded the Board that it is hard to hear the individual Board members when they talk and asked about getting a public address system. Dwight Dively asked each member to try and speak up.

**Minutes:**

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board approved the minutes from the April 3, 2003 Retirement Board meeting.

**Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:**

**Information:** The following items represent normal expenses and nothing extraordinary.

Service	\$ 5,051,472.29
Disability	54,425.86
Beneficiary	610,635.43

<b>Pension Payroll – April 2003</b>	<b>\$ 5,716,533.58</b>
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<b>Office Payroll - pay period ending March 25, 2003</b>	<b>\$ 21,883.93</b>
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<b>Office Payroll - pay period ending April 8, 2003</b>	<b>\$ 22,555.07</b>
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<b>Vouchers Processed - from March 27, 2003 through April 24, 2003</b>	<b>\$ 70,455.87 *</b>
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\* \$ 0.00 Expert and Consultant Services

**Immediate Withdrawal of Contributions**

<u>Member</u>	<u>Department</u>	<u>Position</u>
Agcaoili, Delia R.	TES	Acct Tech III
Bird, Feresika Semi	TES	Admin Spec II
Blake, Maurine K	Seattle Center	Usher
Comito, Joseph F	DHHS	Counselor
Dorgan, Andrea	Muni Court	Probation Counselor II

Herbig, Patrick S	SPU	Civil Engineer Associate
Hibbitt, Denise Marie	Personnel	Training & Ed Coord Asst
Jackson II, Walter D	Parks	Rec Leader
Kelleher, Shannon Marie	ESD	Strategic Advisor
Kisner, Cristina M.	Light	Comp Svc Aide
Knox, Venerria L	DHHS	Executive III
Mayberry, Brett	Seattle Center	Admin Support Assistant
McKinnon, Donna J.	TES	Admin Support Assistant
McManus, Mark B	SPU	Water Systems Operations
O'Reilly, Megan M	Parks	Laborer
Parker, Keesha L	Parks	Painter
Roberts, Jay P	Parks	Utility Laborer
Rodda Jr, Kermit Kester	Muni Court	Manager I
Rys, Josef	SEATRAN	Signal Electrician
Shimada, Tera Keiko	SPU	Cooperative Intern
Smith, Lynnette R	DCLU	Admin Spec II
Valencia, Adrian V	Parks	Laborer
White, Jerri L	Seattle Center	Stage technician
Zhan, Weiguo	Seattle Center	Civil Engineer Sr.

Upon motion by Lou Walter, seconded by Mary Norris, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

### **Ratification of Service Retirements:**

**Information:** The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Arevalo, Paul G.	04/02/2003	11	268	DoIT	Info Tech Systems Analyst	65	C10
Beardsley, Anne L	03/11/2003	7	12	City Light	Vested	65	S
Blake, Jason O.	03/20/2003	12	172	SPU	Forest Maint Worker	63	S,G-100
Cadigan, Helen E	03/23/2003	21	206	K.C. Health	Vested	52	S,F,G-50
Castro, Priscilla C.	04/02/2003	19	95	ESD	Treasury Cashier	65	C5
Cox, Judith	04/03/2003	5	363	OMP	Vested	62	C20
Deyo, Sara J.	04/03/2003	11	135	Law	Vested	57	S,F
Fox, Jacob P.	03/14/2003	24	263	SPU	Pump Station Maint	65	B
Hendrickson, John D.	04/02/2003	32	353	SEATRAN	Civil Engineer Sr	56	S
Hisson, Terry W.	04/02/2003	32	253	Metro Transit	Tunnel Controller	60	D,G-50
Horn, Jimmie S	03/19/2003	8	197	City Light	Assoc Electrical Engineer	67	D
Nayudu, Ashok	04/09/2003	29	181	City Light	Utilities Manager	52	C10
Nishimura, Valerie G.	02/26/2003	31	342	Personnel	Executive Assistant	54	B
Oberg, Peggy A	03/04/2003	29	50	City Light	Elec Svc Rep Sr	52	C10
Palmer, Pamela S	03/17/2003	12	275	Police	Vested	57	C5
Ray, James R.	03/13/2003	24	2	City Light	Material Supplier	56	C5
Smith, Donald P.	04/02/2003	21	157	City Light	Hydro Maint Machinist	65	E,G-100
Sweeney, Patrick J	03/31/2003	20	51	Personnel	Vested	55	C15
Weatherspoon, William	03/26/2003	31	232	City Light	Material Supplier	53	C20,G-50

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board approved the service retirements listed above, pending final review.

## **Ratification of Investment Transactions and Statement of Securities and Cash:**

Items in the Investment Summary were highlighted by Norm.

Upon motion by Lou Walter, seconded by Norma McKinney, the Retirement Board approved the Investment Summary report.

## **Investment Committee Report:**

It was announced that the Investment Committee and the Investment Advisory Committee are scheduled to meet at noon on Thursday, May 29, 2003 in the Credit Union Conference Room, to review the investment performance for the 1<sup>st</sup> quarter of 2003.

Norm reported on the April 24, 2003 Investment Committee meeting:

Pension Consulting Alliance and Wurts & Associates made presentations for performance measurement and transaction audit services to the Committee. The Committee recommends renewing the contract with Wurts & Associates for another 4 years.

Upon motion by John Curtin, seconded by Lou Walter, the Retirement Board authorized a 4-year contract for performance measurement and transaction audit services with Wurts & Associates, and authorized the Executive Director or other appropriate official to execute the contract.

A presentation was given to the Committee by Putnam Investments, an investment manager who manages an international small cap portfolio and is on the Watch List for performance concerns. The Committee decided not to take action at this time but will continue watching the performance of Putnam.

## **Executive Director Report:**

The following summarizes the Executive Director's monthly report to the Board:

Norm said that 2 representatives from Wellington Management will make an educational presentation on domestic equities after the Board meeting. Norm also said that after the next Board meeting, either Western Asset Management or Pugh Capital will make a presentation on fixed income.

Norm then informed the Board that the election ballots for the Board position currently held by John Curtin, whose term expires on June 30, 2003, are at the mailing service now. The election will end on June 2, 2003.

## **Old Business:**

### **(1) Status of Benefit Enhancements**

The Board was informed that the estimated current funding level of the Retirement Fund is 73.28% as of March 31, 2003.

## **(2) Audit Committee**

Norm informed the Board that auditors from Deloitte are scheduled to meet with the Board at the June Board meeting to report on their audit.

Maureen Madion addressed the Board and said that she will research how the Board would proceed to establish an Audit Committee, if it chooses to do so. She will also look into liability issues and research how the open meetings rules would apply. Norm said Laurie Tish from Deloitte will attend the July Board meeting to further discuss the possibility of having an Audit Committee.

Walt North mentioned that the Seattle Metropolitan Credit Union has a Supervisory Committee which performs a role similar to what an Audit Committee might perform, and could be a good source for additional information and comparison.

## **(3) Annie M. Daniels Appeal Regarding Purchase of Service Credit**

At 9:15 a.m. the Board reconvened the hearing for Annie M. Daniels, and entered into a closed session to continue deliberating the appeal.

At 9:35 a.m. the Board returned to regular session.

Norm recommended that the 1993 Settlement Agreement, with Addendum, referenced by Ms. Daniels, be added to the record and marked as Exhibit E. The Board added Exhibit E to the previous exhibits.

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board voted to deny the appeal by Ms. Daniels and to affirm the decision of the Executive Director marked as Exhibit C, and directed Norm to send a letter communicating the decision to Ms. Daniels.

## **New Business:**

No new business items were presented.

## **Adjournment**

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 9:38 a.m.

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Norma McKinney, Secretary